Chapter 104 The Relationships between Project Management and Knowledge Management: Where We Can Find Project Knowledge Management in the Project Management Process

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ABSTRACT

All companies work nowadays at pursuit of innovation, because that will bring better results. The high demand for innovative products and services has led companies to a permanent state of change, either launching a new product or improving the current, enhancing or changing production line, or making administrative change. According to Davenport and Prusak (1998), organizations recognize that knowledge is the only source capable of generating sustainable competitive advantages. Gattoni (2000) corroborates the authors defending that enterprise knowledge management becomes a new strategy to be matured in terms of competitive gains in projects. Models and theoretical approaches show that the relationship between project management, and information and knowledge management generates significant improvements to organizations. This chapter makes a link of both themes aimed at significant improvements in the organization.

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INTRODUCTION

According to Vargas (2006), the high demand for innovative products and services has led companies to a permanent state of change, either launching a new product or improving the current, enhancing or changing production line, or making administrative change. All strategic changes in organizations aim to make the company more competitive and are implemented through projects and programs.

Drucker (1998) states that companies value is created by productivity and innovation, which are knowledge application to work. Carvalho (2006) points out that economy has become predominantly service based and knowledge has become one of the most important economic factors in the competitive environment, applied to daily life of organizations.

According to Davenport and Prusak (1998), organizations recognize that knowledge is the only source capable of generating sustainable competitive advantages. Dalkir (2005) quotes, among reasons why organizations implement knowledge management initiatives, the need to have an organizational memory, the search for greater agility in problem solving, the need to disseminate better practices and the pressure to innovate and quickly adapt to changes.

For Nonaka and Takeuchi (1995), organizations need individuals to create knowledge. Thus, the organization must provide the conditions for creative individuals to create knowledge, supporting them. Carvalho (2006) adds that organizational knowledge creation is a process that extends to organization sphere the knowledge created by individuals. Organizational knowledge is not intended to replace individual knowledge, but to complement it and make it more coherent and capable of wide application. (DALKIR, 2005, page 2.)

Gattoni (2000) corroborates the authors defending that enterprise knowledge management becomes a new strategy to be matured in terms of competitive gains in projects. The author points out that an approach focused on projects can be used for conducting unprecedented organizational initiatives of great relevance to companies.

Levin (2010) argues that knowledge management must become part of daily work of professionals working on projects. She suggests that it is necessary to integrate project knowledge bases so that people involved in the project can combine individual contributions to project objectives aligning to organization's strategic objectives.

Projects face difficulties in identification, storage and distribution of knowledge that, when collected and documented is published in a way that makes its recovery complex and slow or not available in an appropriate manner to other members of the organization. According to PMI (Project Management Institute) data, over 13 trillion dollars are spent on projects, accounting for 20% of global GDP. Companies have been facing many challenges related to low maturity of project management what has affected their performance. The PMSurvey.org (2013), a global initiative of benchmarking survey conducted annually in hundreds of companies, showed that 39% of surveyed companies never or rarely achieve their goals of time, cost, quality and stakeholder satisfaction. In 59% of cases, organizations are at levels 1 and 2 of maturity, in a scale of 1 to 5. Half of these companies do not have a methodology or an unique process to manage their projects. Among those who have formal standards, in 51% these patterns are little, seldom or never used in projects conduction. Information to be highlighted in this research is the fact that 69% of companies do not have any knowledge management tool.

According to international annual report for project management profession - Pulse of the Profession (PMI, 2013) – around fifteen million new project management functions will be created globally in seven industries considered project-intensive up to 2020. One of the biggest challenges that CEOs

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